

**NETFLIX, INC. v. BLOCKBUSTER INC.**

Case No. 06 2361 WHA (JCS)

**EXHIBIT B**

TO

**DECLARATION OF WILLIAM J. O'BRIEN IN SUPPORT OF  
BLOCKBUSTER'S BRIEF ON CLAIM CONSTRUCTION**

*Filed on December 27, 2006*

The New York Times

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THE BOSS

## Out of Africa, Onto the Web

As told to AMY ZIPKIN.  
 Published: December 17, 2006

MY father was an attorney for the Department of Health, Education and Welfare in the Nixon administration. One weekend when I was about 12, my parents, sisters and I were invited to Camp David, when the president wasn't there. Elliot Richardson, who held several cabinet positions, invited us. We rode around in golf carts, had a tour and I saw that President Nixon had a gold-colored toilet seat.

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Fred Prouser/Reuters

I took a year off between high school and college and sold Rainbow vacuum cleaners door to door. I started it as a summer job and found I liked it. As a sales pitch, I cleaned the carpet with the vacuum the customer had and then cleaned it with the Rainbow.

I wanted to go to a small liberal arts school and went to Bowdoin College in Maine. I majored in math because I found the abstractions beautiful and engaging.

I was very interested in serving my country and first joined the Marine Corps in their Platoon Leader Class, a sort of officers' candidate school. I spent summers in the Marines and between sophomore and junior year I was in Quantico, Va., in boot camp.

I found myself questioning how we packed our backpacks and how we made our beds. My questioning wasn't particularly encouraged, and I realized I might be better off in the Peace Corps. I petitioned the recruiting office and left the Marines.

After a yearlong application process for the Peace Corps, I left college early on my graduation day to begin my training. I was assigned to a high school with 800 students in northwest Swaziland. I taught geometry, algebra and differential equations.

## REED HASTINGS

*Founder and C.E.O., Netflix*

**DATE OF BIRTH**

Oct. 8, 1960

**BIRTHPLACE**

Boston

**HOBBIES**

Snowboarding and swimming

**FAVORITE MOVIE**

"Sophie's Choice"

**RECENTLY READ BOOK**

"Blind Side" by Michael Lewis

**FAVORITE QUOTATION**

"Those who say it can't be done should get out of the way of those doing it."  
(Chinese proverb)

We were in a rural part of the country. We had no electricity and cooked with propane and wood. Corn was our staple. I lived in a thatch hut and slept on a cot. The high school graduation was really colorful. The celebrations were traditional and there were a lot of color wraps and furs. I was one of the few in Western dress.

I went home once in three years, for my sister's wedding, about 9 to 10 months after I got there. I was home for five days. I flew to Boston and when I returned it was a 12- to 14-hour trip to Johannesburg, then another four hours to reach the homestead in Swaziland. When I arrived, I could still smell the party, the roses and the Champagne on my clothes. It was challenging. I missed lots of parts of America.

In 1985, I decided to go to graduate school in computer science. I took a two-hour bus trip to Mbabane, the Swaziland capital, to take the Graduate Record Examination. I didn't get into my first choice, which was M.I.T. I got accepted to Stanford. I had never been to California and arrived in late summer. Driving up to the

campus I saw palm trees. It was dry and brown. I asked myself, "Where's the ivy?" Within a week I had fallen in love with California.

After graduate school, I worked for Schlumberger and then went to work for a start-up. I started my first company, Pure Software, in 1991. I was 31. As the company grew from 10 to 40 to 120 to 320 to 640 employees, I found I was definitely underwater and over my head.

I was doing white-water kayaking at the time, and in kayaking if you stare and focus on the problem you are much more likely to hit danger. I focused on the safe water and what I wanted to happen. I didn't listen to the skeptics. The company was acquired by Rational Software in 1997.

I got the idea for Netflix after my company was acquired. I had a big late fee for "Apollo 13." It was six weeks late and I owed the video store \$40. I had misplaced the cassette. It was all my fault. I didn't want to tell my wife about it. And I said to myself, "I'm going to compromise the integrity of my marriage over a late fee?" Later, on my way to the gym, I realized they had a much better business model. You could pay \$30 or \$40 a month and work out as little or as much as you wanted.



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